

AMENDED IN ASSEMBLY JUNE 15, 2013

AMENDED IN ASSEMBLY JUNE 6, 2013

AMENDED IN ASSEMBLY APRIL 2, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1077

**Introduced by Assembly Members Muratsuchi and Ting
(Coauthors: Assembly Members Stone and Williams)**

February 22, 2013

An act to add and repeal Sections *Section 6378.5 to, and to add and repeal Section 10759.5* of, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1077, as amended, Muratsuchi. Sales and use taxes: vehicle license fee: ~~exclusion~~: alternative fuel motor vehicles.

~~The Sales and Use Tax Law imposes state~~

Existing sales and use tax laws impose sales and use taxes on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state, measured by the sales price. Existing law also provides for specific exemptions from these taxes.

This bill would, on and after January 1, 2014, and before January 1, 2022, exempt from ~~the those taxes imposed by the Sales and Use Tax Law~~, that portion of the gross receipts from the sale of, and *that portion of the sales price with respect to* the storage, use, or other consumption of, a qualified motor vehicle, as defined, that is the greater of (1) the

sum of the amount of any credit under a specified provision of the Internal Revenue Code relating to new qualified plug-in electric drive motor vehicles, and any amount received, awarded, or allowed pursuant to a state incentive program for the purchase or lease of an alternative fuel vehicle; or (2) the value of a motor vehicle that is traded in for the motor vehicle that qualifies for a credit or incentive amount under those programs, ~~where~~ *if* the value of the trade-in motor vehicle is separately stated on the new motor vehicle invoice or bill of sale or similar document provided to the purchaser.

The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes counties and cities to impose local sales and use taxes in conformity with the Sales and Use Tax Law, and existing law authorizes districts, as specified, to impose transactions and use taxes in accordance with the Transactions and Use Tax Law, which conforms to the Sales and Use Tax Law. Exemptions from state sales and use taxes are incorporated into these laws.

This bill would specify that this exclusion does not apply to local sales and use taxes ~~and~~, transactions and use taxes, or to ~~certain~~ *specified* state sales and use ~~tax rates~~ *taxes*.

The Vehicle License Fee Law provides that the annual amount of the license fee for any vehicle is 0.65% of the market value of the vehicle, as specified. That law provides for the determination of the market value of any vehicle, for reclassification to increase the market value of a vehicle, and for the exemption of certain vehicles from the imposition of the license fee.

This bill would, on and after January 1, 2014, and before January 1, 2022, for purposes of determining the vehicle license fee, exempt from the determination of market value of a new motor vehicle propelled by alternative fuels any amount allowed as a credit under a specified provision of the Internal Revenue Code, relating to new qualified plug-in electric drive motor vehicles, and any amounts received, awarded, or allowed pursuant to a state incentive program for the purchase or lease of an alternative fuel vehicle, *as provided*.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6378.5 is added to the Revenue and
2 Taxation Code, to read:

3 6378.5. (a) There are exempted from the taxes imposed by
4 this part that portion of the gross receipts, from the sale of, and
5 *that portion of the sales price with respect to* the storage, use, or
6 other consumption in this state of, a qualified motor vehicle, that
7 is equal to the greater of the following:

8 (1) The sum of both of the following:

9 (A) The amount of any new Qualified Plug-in Electric Drive
10 Motor Vehicle credit received with respect to the qualified motor
11 vehicle under Section 30D of the Internal Revenue Code.

12 (B) The amount of any state incentive amount received,
13 awarded, or allowed with respect to the qualified motor vehicle
14 under the Clean Vehicle Rebate Project, the California Hybrid and
15 Zero-Emission Truck and Bus Voucher Incentive Project, or the
16 On-Road Heavy-Duty Voucher Incentive Program within the Carl
17 Moyer Program.

18 (2) The trade-in value of a motor vehicle that is traded in for
19 the qualified motor vehicle ~~where~~ *if* the value of the trade-in motor
20 vehicle is separately stated on the new motor vehicle invoice or
21 bill of sale or similar document provided to the purchaser.

22 (b) For purposes of this section, “qualified motor vehicle” means
23 a motor vehicle that receives, or is awarded or allowed, either or
24 both of the following:

25 (1) A credit for a Qualified Plug-in Electric Drive Motor Vehicle
26 under Section 30D of the Internal Revenue Code.

27 (2) A state incentive amount under the Clean Vehicle Rebate
28 Project, the California Hybrid and Zero-Emission Truck and Bus
29 Voucher Incentive Project, or the On-Road Heavy-Duty Voucher
30 Incentive Program within the Carl Moyer Program.

31 (c) (1) Notwithstanding any provision of the Bradley-Burns
32 Uniform Local Sales and Use Tax Law (Part 1.5 (commencing
33 with Section 7200)) or the Transactions and Use Tax Law (Part
34 1.6 (commencing with Section 7251)), the exemption established
35 by this section shall not apply with respect to any tax levied by a
36 county, city, or district pursuant to, or in accordance with, either
37 of those laws.

(2) The exemption established by this section shall not apply with respect to any tax levied pursuant to Section 6051.2 or 6201.2, or pursuant to Section 35 of Article XIII of the California Constitution.

(d) This section shall become operative on January 1, 2014, and shall remain in effect only until January 1, 2022.

SEC. 2. Section 10759.5 is added to the Revenue and Taxation Code, to read:

10759.5. (a) For purposes of determining the vehicle license fee imposed by this part, there are exempted from the determination of market value of a new motor vehicle propelled by alternative fuels the sum of the amount allowed as a credit under Section 30D of the Internal Revenue Code, relating to new qualified plug-in electric drive motor vehicles, and any state incentive amount received, awarded, or allowed under the Clean Vehicle Rebate Project, the California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project, or the On-Road Heavy-Duty Voucher Incentive Program within the Carl Moyer Program.

(b) *This exemption shall apply to the initial and subsequent determinations of market value pursuant to subdivision (a).*

~~(b)~~

(c) This section shall become operative on January 1, 2014, and shall remain in effect only until January 1, 2022, and as of that date is repealed.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.